



News Release

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IRS ANNOUNCES JANUARY 10 FIRST DAY OF E-FILE SEASON

WASHINGTON – The Internal Revenue Service announced today that taxpayers can begin e-filing their individual income tax returns Friday, January 10, 2003.

“Choosing IRS e-file is the quick, easy and smart way to get your taxes done,” said Terry Lutes, Director of Electronic Tax Administration.

At the start of the filing season, the IRS also reminds taxpayers that they should make sure they have the right income documents before e-filing. Taxpayers should have copies of all the Forms W-2, W-2G and 1099-R they expect to receive before they e-file. These forms report wages, gambling income and retirement income. In addition, tax professionals are prohibited from submitting electronic returns to the IRS without getting all Forms W-2, W-2G, and 1099-R from the taxpayer. Payers should provide these forms to the recipients by January 31, 2003.

E-filers using a personal computer enter the data from Forms W-2, W-2G, and 1099-R themselves. This is similar to attaching the forms to the face of paper tax returns. Taxpayers who rely on end-of-the-year paystubs to submit tax returns sometimes may not have complete, accurate tax information. For example, some paystubs do not separate pre-tax deductions – such as 401(k) contributions – from total income.

Almost 47 million Americans chose IRS e-file options in 2002 – 16 percent more than the year before. The IRS expects about 54 million e-filers in 2003, as more and more taxpayers who file through a computer or a telephone find that e-filing is faster, more accurate and provides confirmation of receipt.

The IRS provides information on its Web site, *IRS.gov*, about how individuals can e-file. The site includes a list of many software products taxpayers can use to e-file. There is also contact information, by zip code, of tax professionals authorized to e-file their clients' tax returns.

Faster refunds and more accurate filings are just some of the benefits of e-filing. Taxpayers who choose IRS e-file and the direct deposit option may receive their refunds in as few as 10 days from the time they e-file. The average e-file refund is issued in 14 days, compared to four to six weeks for a paper tax return. Taxpayers who e-file have more accurate returns, because IRS computers quickly and automatically check for errors or other missing information.

There are three ways a taxpayer can e-file. Individuals can file from a home computer, through a tax professional, and some can file from a touchtone telephone.

Taxpayers with a computer, a modem or Internet access and tax preparation software can e-file their tax returns from home any time, day or night. To do so, a taxpayer sends a completed, electronic tax return to a transmitter. The transmitter converts the file to an IRS-approved format and then sends the converted return file to the IRS. Within 48 hours, the IRS notifies the taxpayer through the transmitter whether or not the return is accepted. In 2002, 9.4 million taxpayers e-filed their returns from home – 37.9 percent more than the year before.

Taxpayers can go to a tax professional who is an authorized e-file provider to e-file their tax returns. Computer filing through an authorized provider has been the core of e-filing since its debut in 1986. Using this method, tax professionals send clients' returns electronically to the IRS. Some prepare their clients' returns and send them, others take returns prepared by their clients, enter the data, then e-file it with the IRS. Authorized providers filed 33 million returns in 2002, up 15 percent from the previous year.

Some taxpayers can even file their tax returns over the telephone. Taxpayers who are eligible and who receive a special TeleFile instruction booklet from the IRS can file their tax return with an easy 10-minute telephone call. It's the easiest way to file. More than 4 million people chose TeleFile during 2002.

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